

COMPUTERIZED SYSTEM FOR COMBINING INSURANCE COMPANY  
AND CREDIT CARD TRANSACTIONS

CROSS-REFERENCE TO RELATED APPLICATION

The present application claims priority to U.S. Provisional Patent Application No. 60/278,290, filed March 23, 2001, which is hereby incorporated by reference as if set forth in full herein.

TECHNICAL FIELD OF THE INVENTION

This invention relates generally to credit card systems and more specifically to the application of credit card rebates to pay for medical or insurance services.

BACKGROUND OF THE INVENTION

Credit cards providing rebates in the form of airline miles for purchases, cash back for purchases, or cash down payments for automobiles have been successful in attracting customers and enlarging the businesses of the credit card companies and the vendors aligned with the credit card companies. Credit card company clients are attracted to the credit cards offering rebates because a client receives a monetary incentive to use credit cards offering rebates. Credit card companies benefit from greater market share created by increased client interest in the credit cards offering rebates. Product and service vendors enjoy increased customer loyalty created by clients working towards increased rebates resulting in larger market share and less customer volatility. The system of credit card rebates pays for itself through customer loyalty, increased market stability, increased resource utilization, and economies of scale.

However, a recent article in a California paper indicated that 20% of all California residents do not have health insurance. National statistics are similar. In addition, only a

1 small percentage of people own any type of life insurance, long  
term care insurance, or disability insurance in case they are  
disabled from performing the duties of their occupations.

5 Insurance companies and health care providers could benefit  
from an alliance with credit card companies to provide insurance  
benefits to clients using rebates generated from credit card  
purchases. The present invention provides a system to form such  
an alliance.

#### 10 SUMMARY OF THE INVENTION

In one aspect of the invention, a method is provided for  
integrating credit card purchases with insurance premium  
payments. A client establishes a credit card account and links  
15 the credit card account to an insurance account. The client uses  
the credit card and generates rebates credited to the insurance  
account. The insurance account can be used to pay for purchases  
of different kinds of insurance policy premiums or pay for  
various services associated with an insurance policy.

20 In another aspect of the invention, an interactive  
management Web site is provided for creation, coordination, and  
monitoring of linked credit card accounts and insurance policies.  
A client uses the interactive Web site to explore different  
insurance policies and the effects of using credit card rebates  
25 to offset the price of an insurance policy. The interactive Web  
site also provides services for the client to maintain and  
monitor the linked accounts.

In another aspect of the invention, a system is provided for  
integrating credit card purchases with a medical services  
30 account. A client establishes a credit card account and links the  
credit card account to the medical services account. The client  
uses the credit card and generates rebates credited to the  
medical services account. The medical services account can be  
used to pay for purchases of different kinds of medical expenses.

BRIEF DESCRIPTION OF THE DRAWINGS

These and other features, aspects, and advantages of the present invention will become better understood with regard to the following descriptions and accompanying drawings where:

FIG. 1 is deployment diagram depicting components of an embodiment of a networked credit card and insurance billing system according to the present invention;

FIG. 2 is a collaboration diagram depicting an enrollment process according to an embodiment of the present invention;

FIG. 3 is a collaboration diagram illustrating a client using a credit card to make purchases according to an embodiment of the present invention;

FIG. 4 is a collaboration diagram depicting a rebate form of an award being given to a client in an embodiment according to the present invention; and

FIG. 5 is a collaboration diagram depicting interactions between a user and an exemplary account management Web site according to the present invention.

DETAILED DESCRIPTION OF THE INVENTION

A credit card system according to the present invention allows insurance companies to empower current and new customers with credit card rebates applied to health care benefits such as insurance policy premiums, policy upgrades, vouchers for health care services and products, health care spending accounts, etc.

In one embodiment of the present invention, insurance companies negotiate agreements with credit card companies with existing systems currently in place to provide rebates to the insurance companies' clients.

In another embodiment of the present invention, insurance companies develop their own credit cards.

FIG. 1 is deployment diagram depicting components of an embodiment of a networked credit card and insurance billing system according to the present invention. An interactive Web

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site 120 is operably coupled to a plurality of browser clients as exemplified by browser client 110. The interactive Web site is also operably coupled to an insurance company's main processing system 130 and a credit card company's main processing system 140 via a communication network such as the Internet. The credit card company's main processing system is operably coupled to an Automatic Clearing House (ACH) 150 via a communications network. The ACH is operably coupled to a Point of Sale (POS) terminal 160.

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A client 100 uses the browser client to contact the interactive Web site and establish accounts on both the insurance company's main processing system and the credit card company's main processing system. The client uses the credit card at a retailer's POS terminal and the ACH clears the transaction. The ACH forwards the credit card transactions to the credit card company's main processing system and the client's rebates are calculated. The client's rebates are forwarded to the insurance company's main processing system where the rebates are processed into an award given to the client.

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In another embodiment of a credit card system according to the present invention, an interactive Web site is hosted by a credit card company computer system. A client uses the Web site to establish a credit card account and links the credit card account to a health benefits account such as an insurance policy held with an insurance company.

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In another embodiment of a credit card system according to the present invention, an interactive Web site is hosted by an insurance company. In this embodiment, the client establishes an account with the insurance company and then links the account with a credit card.

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In another embodiment of a credit card system according to the present invention, the client creates linked accounts by communicating with the credit card and insurance company via telephone or the postal system in a conventional manner.

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FIG. 2 is a collaboration diagram depicting an enrollment process according to an embodiment of the present invention. A client 100 uses a browser client 110 to access an interactive Web site 120 via the Internet. The Web site serves a series of Web pages comprising a user interface allowing the client to enroll in a credit card rebate program. The client sends client information, a credit card choice, and an insurance policy choice 200 to the interactive Web site. The interactive Web site establishes an account 200 for the client on an insurance company's main processing system 130 and establishes a linked account 200 on the credit card company's main processing system 140.

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The type of account established by the client with the insurance company may vary. The insurance company may sell health, whole life, term life, long term care, or disability policies to the client. Simultaneously, the client applies for a credit card with an existing credit card company. The client designates the type of policy to which a rebate applies.

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Once the credit card account and the insurance account are linked, each client purchase using the credit card generates a rebate related to the purchase, e.g., equal to a percentage of the total purchase. On the next statement of the billing cycle, the insurance premium is reduced by the rebate amount.

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In other embodiments of the present invention, different types of rebates apply depending on the type of insurance obtained by the client. In one embodiment, the rebate is applied to offset the premium payments on health or life insurance.

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In another embodiment of the present invention, a client's insurance policy is upgraded to a policy with improved coverage. For example, the health insurance of a client who purchased an Health Maintenance Organization (HMO) policy is upgraded to a Preferred Provider Organization (PPO) policy.

1 In another embodiment of the present invention, the credit card rebates are used to fund a term or whole life insurance policy.

5 In another embodiment of the present invention, the credit card rebates are used to fund a long term care or disability insurance policy. For seniors on Medicare, Medicare "gap" insurance could be funded in the same manner.

10 In another embodiment of the present invention, rebates are provided to the client in the form of cash vouchers based on the amount of the client's purchases or the number of times the client uses the credit card. These cash vouchers are redeemable by the client at participating health service providers, such as for making co-payments to professionals or to purchase prescription drugs.

15 FIG. 3 is a collaboration diagram illustrating a client using a credit card to make purchases according to an embodiment of the present invention. An issued credit card is used like any conventional credit card. For example, a client 100 uses the credit card to make a purchase using a POS terminal 160 at a retail outlet. The POS terminal sends transaction information 300 to an ACH 150. The ACH clears the transaction and sends transaction information 310 to a credit card company's central credit card processing system 140.

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25 FIG. 4 is a collaboration diagram depicting a rebate form of an award being given to a client in one embodiment of the present invention. The credit card company's central computer system determines 400 the amount of rebate given to a client 100 based on the client's purchases. The amount of the rebate is sent to an insurance company's central computer system 130 where the type of award to be given is determined 420. As previously discussed, the type of award is dependent on the type of insurance account maintained by the client. The award is then given 430 to the client.

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In another embodiment of the present invention, information is managed by a central computer system. This embodiment is useful in conglomerates where banking systems and insurance companies are owned by the same entity. In this embodiment, no money transfer occurs. The central computer system integrates the client's insurance account with a credit card account and the rebated amount is deducted from the appropriate insurance policy premium payments.

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In cases where excellent health care is already provided by an employer, either life insurance, long term care insurance, or disability insurance is a desirable additional option for the client. In this case, the credit card system encourages the client to pursue additional insurance products such as life, long term care, or disability insurance.

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In other cases, the credit card system allows the client to pay for elective procedures not covered under the client's existing insurance policies. Examples of elective procedures not normally covered by insurance policies are cosmetic surgeries and surgeries to correct vision defects that can be corrected using corrective lenses.

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In another embodiment of the present invention, a client requests a credit card with debit card capacity such as a "smart card". All purchases are recorded and a percentage of the smart card purchases are rebated to the customer and deposited into a medical services account maintained with a central bank. The client uses the deposited rebates as an accessible "health bank". The "health bank" is accessed to its capacity for health care expenditures. These include: health care co-payments or deductibles paid to health care professionals such as doctors and dentists; prescription drug co-payments or purchases; and eyewear prescriptions or other durable medical equipment.

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As previously stated, a central computer with appropriate custom software compiles the bank information each credit card client will accrue. Also the central computer debits the client's

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account with the client's desired transactions and transfers the funds out of the client's accrued bank amount for the appropriate health care transaction.

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In one embodiment of the present invention, a debit stripe is applied to an insurance card, thus enabling direct access to a client's health bank. A client uses the insurance card to debit the client's health bank at the time of a health care expenditure.

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In this embodiment, use of the insurance card includes a verification step to verify that the client has sufficient credit in the client's health bank to cover the health care services. If there is insufficient credit in the health bank, the health care bank can be linked to an alternative source of funds such as a banking account or credit card. The alternative source of funds is then used to cover the client's overdraft of the health bank.

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In another embodiment of an insurance card with a debit stripe, the client can take advantage of the insurance company's superior economic position to receive discounted health care services. In this embodiment, the health care provider is not credited directly out of the client's health bank and instead bills the health bank for pre-negotiated discounted fees.

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In another embodiment of the present invention, a separate card with debit capability is given to the client to promote instantaneous transfer of funds compiled in the bank. In this embodiment, the account is debited instantaneously extending the connection between the credit card company and the insurance company to a different segment of the health care population. Health care providers are brought into an association of preferred network providers. These providers provide a discount of their services to the clients. In exchange for the allegiance of the health care providers, the credit card company promotes the health care providers with advertising by the insurance

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1 company. Health care providers include medical and dental professionals, pharmacists, therapists, outpatient services, etc.

5 The extension of the business network allows the insurance company to extend itself thus increasing its potential clout within the health care industry. This allows better control of health care expenditures and better documentation, again via the central computer, by tracking the actual purchases and utilization of dollars spent for health care by the credit card system and dollars redeemed via the health care "bank account".  
10 Appropriate epidemiology of patient base with respect to regional and age differences are documented allowing better control of health care services.

15 In another embodiment of the present invention, the insurance company provides hardware and software to the health care profession preferred network for all transactions. This allows the client again to debit their "bank account" for immediate purchases of health care services.

20 In another embodiment of the present invention, an interactive Web site provides explanation of the insurance products and credit card integration.

25 In one embodiment of an interactive Web site according to the present invention, a client enters his/her credit card purchase totals over a period of time. The interactive Web site program calculates the rebate that the client will earn and provides the client with prices for health, life (term or whole), long term care insurance, or disability insurance. Thus, the client has access to information necessary to make decisions as to whether or not this is a proper route for the client to pursue.  
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In another embodiment of an interactive Web site according to the present invention, a client uses the interactive Web site to manage both the credit card account and the insurance account.

35 In one embodiment of the credit card system according to the present invention, insurance companies negotiate with employers

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to provide a health care insurance that might be more affordable  
for the insurance company and the employer if each employee takes  
and uses a credit card for a certain number of transactions per  
5 month. For example, the employer purchases health maintenance  
organization insurance for each and every employee, but by using  
the credit for either a certain dollar rebate amount or using it  
for a certain number of transactions per month, the employee gets  
an upgrade to a preferred provider insurance plan allowing access  
10 to different health care providers.

A credit card system according to the present invention may  
also be applied to other insurance products where deductibles or  
recurring premiums are used. For example, most insurance clients  
15 carry auto insurance policies with large deductibles in order to  
reduce the cost of the monthly premiums. However, most insurance  
clients fail to set aside the amount of the deductible in the  
insurance client's budget and are therefore unprepared when an  
accident occurs. Credit card rebates linked to a car insurance  
deductible account allow an insurance client to build up a  
20 deductible account in order to pay the deductible in case of an  
accident. The deductible account could also be used to pay  
regular car insurance premiums as well.

Homeowner's insurance policies share the same  
characteristics of deductibles and recurring premiums as car  
25 insurance. Most homeowners do not set budgets for the loss of  
a home because the loss of a home is typically a once in a  
lifetime event. In this case, linking a credit card to a  
deductible account allows an insurance client to painlessly build  
an account balance over a long period of time.

30 In another embodiment, homeowner insurance premiums are paid  
for out of the deductible account.

FIG. 5 is a collaboration diagram depicting interactions  
between a user and an exemplary account management Web site  
according to the present invention. An interactive Web site 120  
35 is operably coupled to a plurality of browser clients as

1 exemplified by browser client 110. The interactive Web site is  
also operably coupled to an insurance company's main processing  
system 130 and a credit card company's main processing system 140  
5 via a communication network such as the Internet.

A client 100 uses the browser client to contact the  
interactive Web site and transmit an account query 500 to the  
interactive Web site. The interactive Web site in turn generates  
an insurance account query 510 and transmits the insurance  
10 account query to the insurance processor. The insurance  
processor responds to the insurance account query by transmitting  
insurance account data 512 to the interactive Web site. The  
interactive Web site generates an credit card account query 520  
and transmits the credit card account query to the credit card  
15 processor. The credit card processor generates credit card  
account data 530 and transmits the credit card account data to  
the interactive Web site in response to the credit card account  
query.

The interactive Web site receives the insurance account data  
and credit card account data and generates an account report 540  
20 from the two data sets. The account report is transmitted by the  
interactive Web site to the browser client where the account  
report is displayed. In this manner, the client can keep track  
of both the client's credit card purchases and expenses as well  
25 as the client's insurance policies.

Although this invention has been described in certain  
specific embodiments, many additional modifications and  
variations would be apparent to those skilled in the art. For  
example, the embodiments described above could be modified so  
30 that credit card purchases by one party could yield a benefit to  
another party. Thus, a son or daughter could use rebates earned  
with credit card purchases toward the premiums for long-term  
extended care coverage for their parents.

It is therefore to be understood that this invention may be  
35 practiced otherwise than as specifically described. Thus, the

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present embodiments of the invention should be considered in all  
 respects as illustrative and not restrictive, the scope of the  
 invention to be determined by claims supported by this  
 5 application and the claim's equivalents rather than the foregoing  
 description.

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